



DEPARTMENT OF THE TREASURY

Proposed Collections; Comment Requests

AGENCY: Departmental Offices; Department of the Treasury

SUMMARY: The Department of the Treasury, as part of its continuing effort to reduce paperwork burdens, invites the general public and other Federal agencies to comment on revisions of an information collection that are proposed for approval by the Office of Management and Budget. The Office of International Affairs within the Department of the Treasury is soliciting comments concerning the revisions of the Treasury International Capital (TIC) Forms BC, BL-1, BL-2, BQ-1, BQ-2, and BQ-3 (called the “TIC B forms”).

DATES: Written comments should be received on or before [insert 60 days after date of publication] to be assured of consideration.

ADDRESSES: Direct all written comments to Dwight Wolkow, International Portfolio Investment Data Systems, Department of the Treasury, Room 5422, 1500 Pennsylvania Avenue NW, Washington DC 20220. In view of possible delays in mail delivery, please also notify Mr. Wolkow by email (comments2TIC@treasury.gov), fax (202-622-2009) or telephone (202-622-1276).

FOR FURTHER INFORMATION: Copies of the proposed forms and instructions are available on the Treasury’s TIC Forms webpage, <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms.aspx>. Requests for additional information should be directed to Mr. Wolkow.

SUPPLEMENTARY INFORMATION:

Titles: Treasury International Capital (TIC) Form BC “Monthly Report of U.S. Dollar

Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers on Foreigners;” TIC BL-1 “Monthly Report of U.S. Dollar Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers to Foreign Residents;” TIC BL-2 “Monthly Report of Customers’ U.S. Dollar Liabilities to Foreigners;” TIC BQ-1 “Quarterly Report of Customers’ U.S. Dollar Claims on Foreigners;” TIC BQ-2 “Part 1: Quarterly Report of Foreign Currency Liabilities and Claims of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers and Dealers, and of Their Domestic Customers Visa-A-Vis Foreigners” and “Part 2: the Report of Customers’ Foreign Currency Liabilities to Foreigners;” and TIC BQ-3 “Quarterly Report of Maturities of Selected Liabilities of Depository Institutions, Bank Holding Companies/Financial Holding Companies, Brokers, and Dealers to Foreigners.”

OMB Numbers: 1505-0017 (TIC BC), 1505-0019 (TIC BL-1), 1505-0018 (TIC BL-2), 1505-0016 (TIC BQ-1), 1505-0020 (TIC BQ-2), and 1505-0189 (TIC BQ-3).

Abstract: Forms BC, BL-1, BL-2, BQ-1, BQ-2, BQ-3 are part of the Treasury International Capital (TIC) reporting system, which is required by law (22 U.S.C. 286f; 22 U.S.C. 3103; E.O. 10033; 31 C.F.R. 128) and are designed to collect timely information on international portfolio capital movements. These forms are filed by all U.S.- resident banks, other depository institutions, brokers and dealers, and Bank Holding Companies/Financial Holding Companies (BHC/FHC). On the monthly forms, these organizations report their own claims on (BC), their own liabilities to (BL-1), and their U.S. customers’ liabilities to (BL-2) foreign residents, denominated in U.S. dollars. On the quarterly forms, these organizations report their U.S.- resident customers’ U.S. dollar claims on foreign residents (BQ-1), and their own and their

domestic customers' claims and liabilities with foreign residents, where all claims and liabilities are denominated in foreign currencies (BQ-2). On the quarterly BQ-3 form, these organizations report the remaining maturities of all their own U.S. dollar and foreign currency liabilities (excluding securities) to foreign residents. This information is necessary for compiling the U.S. balance of payments accounts and the U.S. international investment position, and for use in formulating U.S. international financial and monetary policies.

Current Actions: As a consequence of the recent global financial crisis, international reporting standards for collecting and reporting economic and financial data have been enhanced, especially regarding each country's external claims and liabilities. TIC forms are consequently revised to reflect the new standards. Provided below is a list of the revisions to reporting forms and instructions, effective beginning with reports as of June 30, 2013.

The following changes apply to all TIC B forms

(a) The "who must report" section of the instructions is revised. Beginning with the reports as of June 30, 2013, the organizations required to file the TIC B forms will include all types of U.S.- resident financial institutions (including, but not limited to banks, other depository institutions, brokers/dealers, bank/financial holding companies, investment banks, insurance companies, credit card issuers, money market funds, pension funds, private equity funds, hedge funds, trusts, finance companies, mortgage companies, commodity brokers and dealers, investment advisors and managers, loan brokers). More specifically, all financial institutions that previously filed TIC C forms (form CQ-1 and form CQ-2) will file TIC B forms beginning with the reports as of June 30, 2013. Those financial institutions changing from filing the TIC C forms to filing the TIC B forms will

not be required to file the TIC C forms after the reports as of May 31, 2013. This change affecting many U.S.-resident financial institutions, from reporting on the TIC C forms to reporting on the TIC B forms, is designed to improve the coverage of international financial transactions and positions in the U.S. balance of payments and in the U.S. international investment position, and reflects the change in the international statistical standards to include in portfolio investment (PI) most international positions between financial institutions. All financial transactions and positions between U.S. residents and foreign residents are either PI or direct investment (DI), and all organizations with such positions (above the amounts declared exempt in the reporting instructions), must report them to either the TIC (which collects PI information) or BEA (which collects DI information).

(b) The instructions for these forms have been updated to add guidance for reporting on the new “of which” rows described in (g) through (l) below and the new section and columns described in (l). (c) The General Instructions have been reorganized and contain new guidance on reporting accrued interest and insurance/reinsurance business, and on where to report. (d) Several sections of the instructions, including the glossary, incorporate changes to clarify the reporting requirements, such as the consolidation/combination rules, valuation rules, and reporting the location of foreign counterparties.

(e) Except for the TIC BQ-3, the list of countries for reporting the location of foreign counterparties will be increased by six. This is the result of deleting Netherlands Antilles (3720-6), removing “Montenegro” from “Serbia and Montenegro (1321-8),” and adding Kosovo (1347-1), Montenegro (1362-5), Bonaire, Sint Eustatius and Saba (3616-1),

Curaçao (3618-8), St. Martin and St. Barthelemy (3647-1), Sint Maarten (3619-6), and South Sudan (5339-2). (f) These changes (a) through (l) will be effective beginning with the reports as of June 30, 2013.

(g) Changes to Form BC

1. As a result of the action in (a) above, the title of Form BC is changed to “Report of U.S. Dollar Claims of Financial Institutions on Foreign Residents.”
2. In the “of which” items at the end of the form, a new row has been added to collect “Claims on Foreign-Resident Non-Bank Financial Institutions.” Data are reportable in columns 4, 5, 6, 8 and 9.
3. In the “of which” items at the end of the form, a new row has been added to collect “Unpaid Insurance Claims.” Data are reportable in columns 3, 5, 6 and 8.

(h) Changes to Form BL-1

1. As a result of the action in (a) above, the title of Form BL-1 is changed to “Report of U.S. Dollar Liabilities of Financial Institutions to Foreign Residents.”
2. In the “of which” items at the end of the form, a new row has been added to collect “Liabilities to Foreign-Resident Non-Bank Financial Institutions.” Data are reportable in columns 5 through 9.
3. In the “of which” items at the end of the form, a new row has been added to collect “Unpaid Insurance Claims and Prepaid Insurance Premiums.” Data are reportable in columns 2, 4, 6, 7 and 8.

(i) Changes to Form BL-2

1. As a result of the action in (a) above, the title of Form BL-2 is changed to

“Report of Customers’ U.S. Dollar Liabilities to Foreign Residents.”

2. In the memorandum section at the end of the current form, the eight rows are changed to eight “of which” rows that have the same eleven columns as do the other rows in the form. The first, fourth and fifth “Of Which” rows (8102-7, 8144-2, 8146-9) are unchanged and data are reportable in column 10. In the second “of which” item for “Total U.S. – Resident Bank Debt; Loans to Banks” (8141-8), data are reportable in columns 3, 6, 9 and 10. This item previously collected data for only the “Grand Total” column (Column 10).
3. In the “of which” item at the end of the form for “Total U.S. – Resident Bank Debt; Short-Term Negotiable Securities Issued by Banks” (8142-6), data are reportable in columns 2, 5, 8 and 10. This item previously collected data for only the “Grand Total” column (Column 10).
4. The sixth row of the “of which” items, that was previously labeled “Liabilities of Other U.S. Debtor Sectors,” is now labeled “Liabilities of U.S.-Resident Non-Bank Financial Institutions (NBFIs)” and a new code has been added in the code column. Data are reportable only in column 10. Previously, there was no data collected on this row.
5. The seventh row (8150-3), which was previously labeled “Other short-term negotiable securities” is now labeled “Short-term Negotiable Securities issued by NBFIs.” Data are reportable only in columns 2, 5, 8 and 10. This item previously collected data for only the “Grand Total” column (Column 10).
6. The eighth row (8155-8), which was previously labeled “Loans to Others,” is now labeled “Loans to NBFIs.” Data are reportable only in columns 3, 6, 9

and 10. This item previously collected data for only the “Grand Total” column (Column 10).

(j) Changes to Form BQ-1

1. As a result of the action in (a) above, the title of Form BQ-1 is changed to “Report of Customers’ U.S. Dollar Claims on Foreign Residents.”
2. In the “of which” items at the end of the form, a new row has been added to collect “Claims of U.S.-Resident Non-Bank Financial Institutions.” Data are reportable in columns 1, 2, 3, 4 and 5.

(k) Changes to Form BQ-2

1. As a result of the action in (a) above, the title caption of Form BQ-2, Part I, is changed to “Report of Foreign Currency Liabilities and Claims of U.S. Financial Institutions, and of their Domestic Customers’ Foreign Currency Claims with Foreign Residents” and the title caption of Part II is changed to “Report of Customers’ Foreign Currency Liabilities to Foreign Residents.”
2. In the “of which” items at the end of the form, a new row has been added to collect claims and liabilities denominated in Swiss francs. Data are reportable in columns 1 through 6.
3. In the “of which” items at the end of the form, a new row has been added to collect “Unpaid Insurance Claims and Prepaid Insurance Premiums.” Data are reportable in columns 2 and 4.
4. In the “of which” items at the end of the form, a new row has been added to collect “Claims on / Liabilities to Foreign-Resident Banks.” Data are reportable in columns 1 through 7.

5. In the “of which” items at the end of the form, a new row has been added to collect “Claims on / Liabilities to Foreign-Resident Non-Bank Financial Institutions.” Data are reportable in columns 1 through 7.

(l) Changes to Form BQ-3

1. The name of the form is changed to “Report of Maturities of Selected Claims and Liabilities of Financial Institutions with Foreign Residents”. This and the following revisions of the form respond to the changes in (a) above and to international reporting standards calling for reporting of maturities of claims and liabilities.
2. The title “Part 1: Liabilities to Foreign Residents – Remaining Maturities” is added at the top of page 2 to describe the existing one-half page table that collects information on liabilities.
3. A new section is added on page 2 of the form entitled “Part 2: Claims on Foreign Residents - Remaining Maturities” that collects information on claims. The new section has three rows labeled: “Demand Deposits, Arrears, Resale Agreements Under Continuing Contract, and Items With No Fixed Maturity;” “Maturing in 1 Year or Less;” and “Maturing In Over 1 Year.” The new section has four columns for data entry with the following titles: column 1 is “Non-Negotiable Foreign Deposits & Brokerage Balances [reported on BC (col. 1) & BQ-2, Part 1 (col. 3)];” column 2 is “Resale Agreements & Other Claims [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)];” column 3 is “Loan Claims Excluding Resale Agreements [reported on BC (cols. 3, 5) & BQ-2, Part 1 (col. 4)];” and column 4 is “Grand Total [sum of columns 1-3].”

Type of Review: Revision of a currently approved collection.

Affected Public: Business or other for-profit organizations.

Forms BC, BL-1, BL-2, BQ-1, BQ-2, and BQ-3

Estimated Number of Respondents: BC, 302; BL-1, 348; BL-2, 80; BQ-1, 77; BQ-2, 149 and BQ-3, 117.

Estimated average Time per Respondent per Filing: BC, 9.9 hours; BL-1, 7.1 hours; BL-2, 8.25 hours; BQ-1, 3.1 hours; BQ-2, 6.6 hours; and BQ-3, 4.0 hours. The average time varies, and is estimated to be generally twice as many hours for major data reporters as for other reporters.

Estimated Total Annual Burden Hours: BC, 35,856 hours for 12 reports per year; BL-1, 29,484 hours for 12 reports per year; BL-2, 7,920 hours for 12 reports per year; BQ-1, 963 hours for 4 reports per year, BQ-2, 3,938 hours for 4 reports per year, and BQ-3, 1,872 hours for 4 reports per year.

REQUEST FOR COMMENTS: Comments submitted in response to this notice will be summarized and/or included in the request for Office of Management and Budget approval. All comments will become a matter of public record. The public is invited to submit written comments concerning: (a) whether Forms BC, BL-1, BL-2, BQ-1, BQ-2, and BQ-3 are necessary for the proper performance of the functions of the Office, including whether the information will have practical uses; (b) the accuracy of the above estimate of the burdens; (c) ways to enhance

the quality, usefulness and clarity of the information to be collected; (d) ways to minimize the reporting and/or record keeping burdens on respondents, including the use of information technologies to automate the collection of the data; and (e) estimates of capital or start-up costs of operation, maintenance and purchase of services to provide information.

Dwight Wolkow, Administrator, International Portfolio Investment Data Systems

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